

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

First-Class Mail and Periodicals
Service Standard Changes, 2021

)

Docket No. N2021-1

**Answer of Mailers Hub to United States Postal Service Motion to be Excused from
Responding to Interrogatories
(MH/USPS-T1-1-16; MH/USPS-T2-1-3; MH/USPS-T3-1-6)**

May 19, 2021

Pursuant to 39 C.F.R. § 3020.105(b)(2), Mailers Hub provides this Answer to the Motion of the United States Postal Service to Be Excused from Responding to Interrogatories Propounded by Mailers Hub, and for Related Relief (“Motion”) filed on May 17, 2021. The Postal Service asks to be excused from answering any of the requests propounded by Mailers Hub on the grounds that Mailers Hub has exceeded the 25-question limit imposed by 39 C.F.R. § 3020.117(a). The Commission should deny the Motion because the Postal Service has applied a reading of the rule unsupported by its text that, if accepted, would radically restrict the scope of discovery available in this docket and inhibit the development of a full record for the Commission.

While Mailers Hub believes it has complied with the requirements of 39 C.F.R. § 3020.117(a), it is willing to discuss individual interrogatories with USPS to determine if they can be further limited. But excusing the Postal Service completely from answering these interrogatories is an inappropriate remedy, especially in light of the complete absence of Commission precedent applying 39 C.F.R. § 3020.117(a).

I. MAILERS HUB MADE A GOOD FAITH EFFORT TO COMPLY WITH RULE 3020.117(A)

As the Motion delineates, Mailers Hub originally propounded a total of 28 numbered interrogatories to Postal Service witnesses on May 11, 2018. Motion at 1. Upon being contacted by the Postal Service and notified that it had exceeded the limit in 39 C.F.R. § 3020.117(a), Mailers Hub withdrew its requests, and filed new requests that comply with the limit. Mailers Hub filed 16 requests to Witness Cintron, 3 to Witness Whiteman, and 6 to Witness Hagenstein, for a total of 25 requests.

In revising its interrogatories, Mailers Hub attempted to comply with Rule 3020.117(a). Its individually numbered questions relate to a single topic, and the subparts attempt to elucidate a full response regarding that topic. Where Mailers Hub presented questions in subparts, it did so for ease of understanding the request and to combine logically related inquiries on the same topic, not in an attempt to evade the 25-questions limit. Admittedly, Mailers Hub did not review the full panoply of Federal Rules precedent before filing its requests, but it did make a good faith effort to limit its requests and ease the burden on the Postal Service of responding to them.

In light of these efforts, Mailers Hub was surprised to find that the Postal Service claims Mailers Hub has asked 162 questions rather than 25. Motion at 24. To do so, the Postal Service has rigorously scrutinized each of the requests to identify any portion that could be construed as somehow distinct. For instance, the Postal Service claims MH/USPS-T2-3 contains *eight* questions. It claims that subpart (a) itself consists of four questions, even though the subpart asks for simple yes or no confirmation of the assumptions underlying the Postal Service's calculation of surface transportation savings. Perhaps if Mailers Hub had asked the Postal

Service to “identify each assumption made in calculating surface transportation savings,” it could have avoided this objection, but the question would have been less specific, more burdensome to answer, and less likely to generate a meaningful response. Subpart (b), which the Postal Service counts as a further question (and suggests could actually be four more questions), simply asks the Postal Service to explain the assumptions it did use if it cannot confirm the assumptions in subpart (a). Again, a broad question asking for the identification of each assumption could have combined these questions into a single question, but doing so would result in less clarity about what is being sought, thus increasing the burden of responding to the question.

Rather than answer simple, straightforward requests, the Postal Service has put its resources toward finding technicalities that could excuse it from providing relevant information regarding the basis of the statements it has made in testimony. Whatever the practice in Federal Courts, this approach is inappropriate for an agency proceeding that welcomes participation from the broader public.

II. THE POSTAL SERVICE TAKES AN INAPPROPRIATELY NARROW VIEW OF RULE 3020.117(A)

Rule 3020.117(a) states that “an interrogatory with subparts that are logically or factually subsumed within and necessarily related to the primary question will be counted as one interrogatory.” The Commission stated in Order No. 2080 that “[t]he purpose of this provision is to prevent the 25-interrogatory limit from unfairly restricting the ability of participants to engage in discovery.” Order No. 2080 at 43. By construing as one interrogatory only those parts of a question that are “incapable of independent answers,” the Postal Service’s interpretation would undermine this purpose. Motion at 7.

The Postal Service’s motion relies on select quotations from decisions construing the Federal Rules to support its narrow view of what constitutes a single interrogatory. While the Commission clarified in Order No. 2080 that it will follow federal practice in construing Rule 3020.117, Order No. 2080 at 44, the language of the Commission rule is different from Federal Rule of Civil Procedure 33, which states, “a party may serve on any other party no more than 25 written interrogatories, including all discrete subparts.” Order No. 2080 contains no substantive discussion of meaning of the differences in language between the Federal Rule and the Commission rule. In particular, it does not discuss why the Federal Rule specifically *includes* subparts when counting interrogatories while the Commission rule specifically *excludes* them.

Nor does Order No. 2080 discuss any of the precedent cited by the Postal Service in its motion or indicate whether the same concerns that motivated the Federal Rule underlie the Commission rule. Order No. 2080 only cites a single case mirroring the plain language of the Commission rule, noting that “courts generally agree that interrogatory subparts are to be counted as one interrogatory . . . if they are logically or factually subsumed within and necessarily related to the primary question.” Order No. 2080 at 44 (internal quotations and citation omitted). While it is reasonable for parties and the Commission to look to Federal court precedent as a guide to construing Rule 3020.117(a), the Commission is not bound to strictly apply that precedent. Where parties have acted in good faith to comply with the limit and the subparts of the interrogatory help clarify the information sought and can reasonably be construed to factually and logically relate to a single, discrete topic, the Commission should treat the interrogatory as a single interrogatory for the purposes of Rule 3020.117.

Moreover, the Commission justified imposing the 25-question limit in Order No. 2080 largely on its expectation that the Postal Service would voluntarily provide sufficient information supporting its request in the record, either during prehearing meetings, in testimony, in the technical conference, or voluntarily in response to informal requests. Order No. 2080 at 39. It explained that “[i]f the Postal Service provides relevant information voluntarily during the various stages of an N-case (including the pre-filing state) the need for formal discovery requests should be reduced.” *Id.* at 40. But because the prehearing conference and technical conference are not on-the-record proceedings, the Postal Service’s responses to questions during those proceedings are only incorporated into the record if the Postal Service voluntarily files them with the Commission. Otherwise, parties are forced to re-ask questions, through interrogatories, to obtain responses on the record that they can use as cross examination or in briefs. In this case, the Postal Service did not provide additional information for the record after the prehearing or technical conference even though it stated on multiple occasions during the technical conference that it could provide additional information in response to questions asked. The need for formal discovery was not reduced by the Postal Service’s pre-filing activities.

Nor did the Postal Service provide information with its testimony that could have avoided the need for interrogatories it reasonably could have anticipated receiving. For instance, MH/USPS-T1-1 subparts (a) and (b) ask for details supporting the summary claim in USPS-T-1 that the Postal Service “conferred with industry representatives [and] the Mailer Technical Advisory Committee” when “developing the service standards proposed herein.” USPS-T-1 at 6. The Postal Service could have reasonably anticipated that participants in this

proceeding—especially participants that weren’t consulted regarding the proposed changes—would want to know what exactly was presented to and discussed with industry, and how industry feedback shaped the proposals that were ultimately filed. But the Postal Service did not provide this information, requiring parties to seek it through interrogatories. Notably, the Postal Service considers MH/USPS-T1-1 (a) and (b) two interrogatories because the subparts ask about separate words in the same sentence of testimony. Motion at 9.

In short, neither the text of Rule 3020.117(a) nor the discussion of the limit in Order No. 2080 suggest that the Commission would define an interrogatory as narrowly as the Postal Service has in its motion. To the contrary, the Commission stated its intention to prevent the very outcome the Postal Service seeks—unfairly restricting a participant from engaging in discovery.

III. **CONCLUSION**

Mailers Hub respects the need to limit discovery in N-cases, but it does not believe the Commission intended to limit participation in these dockets to practitioners with extensive experience litigating the Federal Rules of Civil Procedure. To the extent the Commission nevertheless determines Mailers Hub inadvertently exceeded the 25-interrogatory limit, Mailers Hub asks that it be permitted to re-file its requests after consultation with the Postal Service. In no event should the Postal Service be excused from answering these requests entirely.

Respectfully submitted,

/s/ Leo F. Raymond
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BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

FIRST-CLASS MAIL AND PERIODICALS
SERVICE STANDARDS CHANGES, 2021

DOCKET NO. N2021-1

**MAILERS HUB
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENT
UNITED STATE POSTAL SERVICE WITNESS ROBERT CINTRON
(MH/USPS-T-1-1)
(May 12, 2021)**

Pursuant to the Postal Regulatory Commission's *Rules of Practice and Procedure* (39 CFR 3010.311), Mailers Hub respectfully submits the following interrogatories, numbered (MH/USPS-T1-1-16), to United States Postal Service witness Robert Cintron (USPS-T-1) and requests a timely answer under oath. If an interrogatory can be more accurately answered by a different witness, we request that it be redirected accordingly or, if necessary, to the Postal Service for an institutional response.

Please contact the undersigned with any questions.

Respectfully submitted

/s/ Leo F. Raymond
Managing Director
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MAILERS HUB INTERROGATORIES TO
UNITED STATES POSTAL SERVICE WITNESS ROBERT CINTRON (USPS-T-1)
(MH/USPS-T1-1-16)

MH/USPS-T1-1. Please refer to your testimony in section I(A).

a. Please identify specific occasions, other than the pre-filing conference, when the Postal Service “conferred with industry representatives” specifically regarding the proposed service standard changes, as opposed to service issues generally.

b. Please identify the specific presentations to the Mailer Technical Advisory Committee that were specifically about the proposed service standard changes, as opposed to service issues generally.

c. Please confirm that the phrase “as we plan to implement services standards” indicates that the Postal Service intends to implement the proposed service standards notwithstanding the Advisory Opinion that will be issued by the Postal Regulatory Commission at the conclusion of this Docket.

MH/USPS-T1-2. Please refer to your testimony in section I(A)(1), *Discussion of Current Inability to Meet Existing Service Standards*.

a. Please confirm that service performance targets and scores shown for First-Class Mail are aggregated, i.e., they are composite averages of all First-Class Mail regardless of category or preparation, and the average of performance of all reporting units (e.g., areas and districts). If that cannot be confirmed please explain why.

b. Please confirm that, within the aggregated (composite) scores, some reporting units and/or processing facilities have shown relative consistency in achieving (or failing to achieve) the current service standards. If that cannot be confirmed, please explain why.

c. Please explain what analyses or studies the Postal Service made over the 2012-2020 period to identify underperforming facilities, deficient processes, management or staffing issues, and other factors contributing to the failure to achieve service performance under the current service standards, and what corrective measures were taken. If no analyses or studies were made, or no corrective actions were taken, please explain why not.

d. Please explain whether and how the management, staffing, processing, transportation, or other factors now impairing achievement of the current standards will be amended, other than by adding time, to enable achievement of the proposed service standards.

e. Please explain whether the Postal Service has evaluated only replacing the current three-to-five day standard with separate standards for three, four, and five-day service, without other changes to two-day service or the processing and transportation networks. If that evaluation has been conducted, please provide the results or, if no evaluation was made, please explain why not.

MH/USPS-T1-3. Please refer to your testimony in section I(A)(2), *Potential Improvements in Service Capability and Improved 1 Achievement of Service Standards*.

a. Please explain why the Postal Service's regulations do not account for transit time and whether this omission was deliberate. If not, please explain why "the Postal Service's regulations pertaining to the current three-day service standard for First-Class Mail" were adopted with this shortcoming.

b. Please confirm that "the Postal Service's regulations" for overnight and two-day service do account for transit time. If not confirmed, please explain why not.

c. Please explain whether the Postal Service has evaluated only revising the current three-to-five day standard to account for transit time, and/or replacing it with separate standards for three, four, and five-day service, that do account for transit time, without other changes to two-day service or the processing and transportation networks. If that evaluation has been conducted, please provide the results or, if no evaluation was made, please explain why not.

d. Please confirm that the "42 percent" figure represents the average for *all* vehicles ("5-ton" trucks, and all sizes of trailer) used for surface transportation, over all trip lengths, and movements by both HCR and PVS service. If not confirmed, please explain or clarify.

e. Please explain whether the "42 percent" figure refers to cubic capacity, maximum weight, or vehicle floor space.

f. Please detail the percent vehicle capacity utilization planned by the Postal Service and, if that utilization is less than 75 percent, why that lower utilization was planned.

g. Please explain the process used by the Postal Service to determine the vehicle to be used on a surface routing (e.g., “5-ton” vs 40-foot trailer vs 53-foot trailer).

MH/USPS-T1-4. Please refer to your testimony on page 11.

a. Please explain the criteria currently used by the Postal Service to determine when movement of mail between two points will be by air or surface transportation, specifically the relative weight given to cost and to service standard achievement.

b. Please confirm that the illustration on page 11 assumes that the air routing will not be non-stop and that the surface routing will involve only one en-route stop at an STC.

c. If confirmed, please confirm that air transportation routing can also be nonstop, and that surface transportation can include multiple en-route stops, such as to load or offload mail at other postal facilities that are not STCs.

d. Please explain the measures taken by the Postal Service to determine the causes of air transportation delay; the measures taken by the Postal Service to reduce or eliminate those causes; and the results of the measures taken. If no measures were taken for either purpose, please explain why.

MH/USPS-T1-5. Please refer to the footnote to your testimony on page 11.

a. Please explain the difference between “service standards” and “service performance targets.”

b. Please confirm that the Postal Service must seek an Advisory Opinion from the Postal Regulatory Commission if changing nationally-applicable “service standards” for First-Class Mail but can unilaterally adjust “service performance goals” for any mail.

c. Please explain the use of “expect to” rather than “will.”

d. Please explain the steps being taken by the Postal Service in preparation for “implementation of our proposed service standard changes,” other than adding transit time and adjusting modes of transportation, so that the 95 percent service performance target can be attained at “all times of the year.”

e. Please explain the steps the Postal Service will take if it is unable to achieve or maintain achievement of the “95 percent” performance goal it expects to set “upon implementation of our proposed service standard changes during all times of the year.”

MH/USPS-T1-6. Please refer to your testimony in section I(B), *Overview of Existing and Planned Changes to Service Standards*.

a. Please explain the basis for the current use of six hours as the differentiator between the applicability of the current two-day and three-day service standards, compared to the basis for using three hours, twenty hours, and forty-one hours as differentiators between the applicability of the corresponding proposed service standards.

b. Please explain why a three-day service standard was established for mail moving from anywhere within the contiguous United States and non-contiguous or offshore locations if, as you stated on page 9 of your testimony, “the current three-day service standard for First-Class Mail [does] not account for transit time.”

MH/USPS-T1-7. Please refer to the statement in your testimony on page 18, lines 16 through 18, that “the Postal Service is incapable of meeting its service performance targets, and hence providing reliable and consistent service, under the current standards.”

a. Please confirm that, as shown in the data provided quarterly to the Postal Regulatory Commission, some facilities (or districts or areas) of the Postal Service have been able to meet current service performance targets.

b. Please explain the steps taken by the Postal Service to determine why some facilities (or districts or areas) have been able to meet current service performance targets; the information developed; the actions taken to apply those findings to enable other facilities (or districts or areas) to meet service performance targets; and the results of those actions. If no steps were taken for either purpose please explain why.

c. Please explain the causes, other than transit time and the use of air transportation, that contribute to the Postal Service’s failure to meet service performance targets, and how the proposed changes to service standards will ameliorate those causes so as to enable achievement of the revised standards.

d. Please explain the steps taken by the Postal Service to determine why it “is incapable of meeting its service performance targets”; the information developed; the corrective actions taken to improve its capability to meet service performance targets; and the results of those actions. If no steps were taken for either purpose please explain why.

e. Please explain the Postal Service's criteria for "meeting" targets, and for judging service to be "reliable" and "consistent," and the derivation of those criteria.

MH/USPS-T1-8. Please refer to the statement in your testimony on page 18, lines 23 through 25, that "Achieving this standard requires the Postal Service to employ substantial point-to-point two-day transportation for, at times, very low volume."

a. Please define the terms "substantial" and "very low volume" as used in your testimony.

b. Please define the frequency on which "substantial point-to-point two-day transportation" is required, compared to the universe of surface transportation trips.

c. Please define the frequency of trips carrying "very low volume" compared to the universe of surface transportation trips.

d. Please explain the Postal Service's normal processes for evaluating transportation utilization and how those are applied to situations of "very low volume."

e. Please explain the Postal Service's actions to minimize the occurrence of trips with "very low volume" and whether those actions were effective. If not, please explain any further actions that were taken, and their results; if none were taken, please explain why not.

f. Please explain why the capacity of contracted surface transportation vehicles cannot be adjusted to provide the flexibility to better align with volume.

MH/USPS-T1-9. Please refer to your testimony in section III(A), *Proposed Transportation Network Changes and Benefit*.

a. Please explain the Postal Service's criteria for determining the efficiency of transportation, particularly as each mode correlates to the level of service performance it enables.

b. Please confirm that the primary objective of the proposed service standard changes is to reduce Postal Service costs by maximizing the volume of mail that can be moved by surface transportation. and not to maintain or improve on the current levels of achievement of the current service standards for First-Class Mail.. If not confirmed, please explain why.

c. Please explain the vehicle capacity (vehicle types and sizes) and their flexibility (i.e., option to select based on volume) that is assumed in evaluating the "efficiency" of proposed surface transportation.

d. Please confirm that your examples of “efficiency-increasing measures” noted on lines 16 through 19 imply multiple stops along a lane of surface transportation. If confirmed, please explain that statement as it compares to the transportation that is illustrated on page 11 labeled “Only 5 Steps for Future Middle Mile.” If not confirmed, please explain why not

e. Please explain whether, and if so, the proper loading of mail onto designated transportation can be ensured, and mail dispatch can be completed “within the time constraints of the operating plan,” without “the proposed addition of one or two days to current service standards.”

f. Please explain the Postal Service’s process for establishing and approving operating plans, especially how those could be established and approved if they do not generally and consistently “ensure that all mail volumes are properly loaded onto designated transportation within the time constraints of the operating plan.”

MH/USPS-T1-10. Please refer to the statement in your testimony on page 28, lines 11 through 13, that “Early dispatches, which are frequently necessary to achieve current service standards, risk departing from origin points without all committed volumes, leading to operational plan failures and missed service standard targets.”

a. Please explain why and how, in the stated scenario, approved operating plans would not align transportation and achievement of service standards or, conversely, how operating plans would be approved if they include the necessity for early dispatches, perhaps “without all committed volumes.”

b. Please explain how correction of such misalignments cannot be achieved without changing service standards.

MH/USPS-T1-11. Please refer to your testimony on page 29, lines 12 through 14.

a. Please explain the reasons for which “The Postal Service does not anticipate that the necessary mail processing changes, themselves, would materially affect cost or revenue.”

b. Please explain what changes, other than “the necessary mail processing changes,” the Postal Service anticipates “would materially affect cost or revenue.”

MH/USPS-T1-12. Please refer to your testimony on page 30, lines 15 through 17.

a. Please explain what currently inhibits the Postal Service from having “more flexibility to route mail more efficiently, and to maximize the use of space on each trip.”

b. Please explain what actions, other than changing service standards, the Postal Service has evaluated to gain “more flexibility to route mail more efficiently, and to maximize the use of space on each trip,” and the findings of such evaluations. If no evaluation was made, please explain why not.

c. Please explain what actions, other than changing service standards, the Postal Service has implemented to gain “more flexibility to route mail more efficiently, and to maximize the use of space on each trip,” how the success of those actions was evaluated, and what further action was taken. If no actions were taken for either purpose, please explain why.

MH/USPS-T1-13. Please refer to the statement in your testimony on page 30, line 25, and page 31, lines 1 through 3, that “In order to mitigate any harm from this change, the Postal Service will work to inform retail customers about the service changes, so that they can set appropriate expectations for delivery times.”

a. Please explain the “harm” to which the statement refers and how informing retail customers about the service changes will materially mitigate that “harm.”

b. Please explain how the Postal Service will mitigate “harm” to commercial customers.

c. Please explain the criteria the Postal Service used to determine that enabling customers to “set appropriate expectations for delivery times” will mitigate “harm” to those customers interests, and how that would offset dissatisfaction over slower service.

MH/USPS-T1-14. Please refer to the statement in your testimony on page 31, lines 16 and 17, that “business customers’ destination-entry presort mail will remain unaffected by the proposed service standard changes.”

a. Please confirm that there are no destination entry rates for First-Class Mail.

b. If confirmed, please clarify the statement that “destination-entry presort mail will remain unaffected by the proposed service standard changes,” particularly to define what the term “unaffected” means in your use of it in this statement.

c. Please explain how Presorted First-Class Mail will “remain unaffected” if the origin/destination pair represented by the facility where the mail is deposited and the facility serving the destination of the mail will be moved from a two-day service standard to a three-day service standard “by the proposed service standard changes.”

MH/USPS-T1-15. Please refer to the statement in your testimony on page 31, lines 17 and 18, that “all mail will benefit from improved reliability and predictability.”

a. Please define the terms “all mail,” “improved,” and “benefit” as you use them in this statement.

b. Please the degree of “improvement” that is anticipated.

c. Please explain the criteria the Postal Service used to determine that “all mail will benefit from improved reliability and predictability,” specifically the bases for that determination and the bases for having sufficient surety to conclude that the statement will be accurately borne out by the results of the proposed service standard changes.

MH/USPS-T1-16. Please refer to your testimony in section V, *The Postal Service’s Proposed Network Operations Changes Are Consistent With The Policies And Requirements Of Title 39, United States Code*.

a. Please explain whether the Postal Service considers First-Class Mail service performance to be a “driver of First-Class Mail revenue loss.”

b. Please explain whether the Postal Service has evaluated and identified other opportunities for operational “cost and service efficiencies” other than “through enhanced use of surface transportation.” If so, please explain those opportunities and the Postal Service’s plans for implementing them. If there are no plans to implement identified opportunities, please explain why not. If no evaluation has been made, please explain why not.

c. Please explain the bases for the Postal Service’s conclusion that service standards should be aligned “with actual performance” rather than aligning operational performance to enable achievement of established service standards.

d. Please confirm that the “95 percent” target will apply to all First-Class Mail and time-sensitive Periodicals. If not confirmed, please clarify to what the “95 percent” target will or will not apply and, in each case, why.

e. Please define “on a consistent basis” as you use it in your testimony and how that modifier alters the effective meaning of “95 percent.”

f. Please define the terms “quality” and “adequate” as you use them on page 35, lines 20 and 21.

g. Please explain the criteria, and any studies or customer research, used by the Postal Service to determine that service is “quality” and “adequate.” If no studies or research were conducted, please explain why not.

h. Please provide any studies or research that would support a customer or ratepayer conclusion that the proposed service standard changes will yield service that is “quality and adequate.” If no studies or research are available, please explain why not.

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

FIRST-CLASS MAIL AND PERIODICALS
SERVICE STANDARDS CHANGES, 2021

DOCKET NO. N2021-1

**MAILERS HUB
REVISED INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENT
UNITED STATE POSTAL SERVICE WITNESS CURTIS WHITEMAN
(MH/USPS-T-2-1)
(May 12, 2021)**

Pursuant to the Postal Regulatory Commission's *Rules of Practice and Procedure* (39 CFR 3010.311), Mailers Hub respectfully submits the following revised interrogatories, numbered (MH/USPS-T2-1-3), to United States Postal Service witness Curtis Whiteman (USPS-T-2) and requests a timely answer under oath. If an interrogatory can be more accurately answered by a different witness, we request that it be redirected accordingly or, if necessary, to the Postal Service for an institutional response.

Please contact the undersigned with any questions.

Respectfully submitted

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MAILERS HUB INTERROGATORIES TO
UNITED STATES POSTAL SERVICE WITNESS CURTIS WHITEMAN (USPS-T-2)
(MH/USPS-T2-1-3)

MH/USPS-T2-1. Please refer to your testimony on page 8, lines 10 through 14.

a. Please explain the statement that the “service standard change will result in a restructuring of the Postal Service’s transportation network,” specifically to clarify whether the Postal Service’s decision to transport more mail by surface necessitated revising service standards, or whether the revised service standards were developed first and, in turn, drove changes in the transportation network.

b. Please define the proportions of “Inter-Area, Inter-Cluster, and Inter-P&DC highway capacity” that are currently served by contracted (HCR) and internal (MVS) transportation, and how those proportions will change under the Postal Service’s proposed service standards.

c. Please confirm that “There will be no immediate change in the capacity of transportation connecting the Postal Service’s Network Distribution Centers (NDCs)” because all non-time-sensitive Periodicals, Marketing Mail, and packages products currently entered at and/or processed through the NDC network will continue to be entered at and/or processed by the NDCs.

d. If not confirmed, please explain how non-time-sensitive Periodicals, Marketing Mail, and packages products currently entered at and/or processed through the NDC network will be entered at and/or processed by the NDCs or elsewhere under the proposed service standard changes and/or related transportation changes.

e. Please confirm that no zoned rates or destination entry discounts currently available based on mail entry or processing through the current NDC network will be changed because of the proposed service standard changes or related network adjustments.

f. If not confirmed, please explain the changes in zoned rates or destination entry discounts that will result from the proposed service standard changes and/or related network adjustments.

MH/USPS-T2-2. Please refer to your testimony on pages 10 and 11.

a. Please explain whether the Postal Service has evaluated aggregating its air transportation into a single contract to obtain a more favorable price per pound or cubic foot flown or, if not, why not.

b. Please explain the advantages and/or disadvantages of using multiple contract air transportation providers versus contracting for a single dedicated air transportation provider.

c. Please confirm that the performance by air service providers has contributed to the Postal Service's interest in moving more mail by surface transportation.

d. Please explain whether and how air transportation provider performance, under current service standards or under the proposed service standards, was factored into the air transportation cost calculations.

MH/USPS-T2-3. Please refer to Part II of Witness Hagenstein's testimony and your testimony on Pages 11 through 13.

a. Please confirm that the calculated savings in surface transportation assumed

- 1) all vehicles (trucks) would be the same size, with the same capacity;
- 2) cube utilization would be 45.1% of the capacity of a 53-foot trailer;
- 3) loads would consist solely of APCs with an average utilization of 75%; and
- 4) no loads would be in other containers or bedloaded.

b. If those assumptions cannot be confirmed please explain what assumptions were used.

c. Please confirm that the use of smaller trucks ("5-tons"), or different size trailers (40-, 45-, 48-, or 50-foot) were not used as alternatives in the model.

d. If the use of smaller trucks or trailers was not modeled, please explain the reasons why.

e. Please explain whether and how surface transportation provider performance, under current service standards or under the proposed service standards, was factored into the surface transportation cost calculations.

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SERVICE STANDARDS CHANGES, 2021

DOCKET NO. N2021-1

**MAILERS HUB
REVISED INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENT
UNITED STATE POSTAL SERVICE WITNESS STEPHEN B. HAGENSTEIN
(MH/USPS-T-3-1)
(May 12, 2021)**

Pursuant to the Postal Regulatory Commission's *Rules of Practice and Procedure* (39 CFR 3010.311), Mailers Hub respectfully submits the following interrogatories, numbered (MH/USPS-T3-1-6), to United States Postal Service witness Stephen B. Hagenstein (USPS-T-3) and requests a timely answer under oath. If an interrogatory can be more accurately answered by a different witness, we request that it be redirected accordingly or, if necessary, to the Postal Service for an institutional response.

Please contact the undersigned with any questions.

Respectfully submitted

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MAILERS HUB INTERROGATORIES TO
UNITED STATES POSTAL SERVICE WITNESS STEPHEN B. HAGENSTEIN (USPS-T-3)
(MH/USPS-T3-1-6)

MH/USPS-T3-1. Please refer to your testimony on page 3, lines 19 through 23, and on page 4, lines 1 through 9.

- a. Please explain the criteria used by the Postal Service to determine whether transportation service will be provided by its own drivers (PVS) or by contract drivers (HCR).
- b. Please explain why, if “On average, HCR transportation is less expensive than PVS,” HCR would not be the preferred choice for transportation service.
- c. Please explain the phrase “PVS is absent,” specifically to clarify whether such absence is abnormal.
- d. Please explain if a situation in which “PVS is absent” is the result of a decision governed by consistently-applied policies, and the degree to which local managers have latitude to make their own determination.

MH/USPS-T3-2. Please refer to your testimony on page 5, lines 1 and 2 and 21 through 23.

- a. Please explain how it is determined that a truck is “routinely less than 60 percent full.”
- b. Please confirm that such a level of utilization would be in accordance with planned utilization and, if so, how the 60 percent level was chosen. If that cannot be confirmed, please explain the load that is expected “routinely.”
- c. Please explain the circumstances under which contracted transportation becomes “over- and under-utilized.”
- d. Please explain what steps are taken to monitor for, and to correct over- or under-utilization of vehicle capacity; to verify that such steps were effective; and to take further actions as necessary to prevent or minimize over- or under-utilization of vehicle capacity.
- e. Please explain the term “flexibility” and why it is lacking “across the transportation network.”

f. Please explain what steps are taken to monitor for, and to correct inflexibility in HCR contracts; to verify that such steps were effective; and to take further actions as necessary to provide the Postal Service with greater “flexibility.”

MH/USPS-T3-3. Please refer to your testimony on page 10, line 5.

a. Please explain why the assumption was made that “the average APC would be 75 percent full.”

b. Please explain why a higher figure was not selected in order to support the objective of taking “full advantage of the truck’s carrying capacity.”

c. Please explain if other containers were included in the model, such as “BMC over-the-road” containers, pallet, pallet boxes, etc., and what utilization assumptions were applied to each.

MH/USPS-T3-4. Please refer to your testimony on pages 13 and 14, section C.

a. Please explain the process and criteria used in developing the mileage and time in the “proposed service standard assignment rules.”

b. Please explain the reasons why incrementally greater mileage, or more time, were not selected.

c. Regarding the statement:

“The intent of adding incrementally more slack time to the transit windows as distances increased was to encourage pairing of shipments at the origin locations, allow volume transfers via STCs, add buffer time to absorb transportation delays, and still enter letter and flat volume up to the destination CET of 08:00 the day prior to the delivery standard. Allowing such flexibility in the transit time between OD Pairs allows the model to test additional routings for optimization and build efficient routings.”

Please explain the process and criteria used to determine that the model should include “more slack time” in its calculations to “encourage pairing of shipments at the origin locations, allow volume transfers via STCs, [and] add buffer time to absorb transportation delays.”

d. Please explain why the model was not run to optimize direct (non-stop) transportation between origin/destination pairs or to maximize the non-stop distances between pairs that could be allowed while still meeting service standards.

MH/USPS-T3-5. Please refer to your testimony on page 15, lines 10 through 13. Please explain the assumptions regarding vehicle size and capacity.

- a. Please explain whether smaller trucks (“5-tons”), or different size trailers (40-, 45-, 48-, or 50-foot) were used as variables or, if not, why not.
- b. Please explain whether the model was used or allowed to determine whether smaller trucks could be used to provide direct service between origin/destination pairs instead of assigning the related volume to a larger vehicle on an indirect routing.
- c. In order to provide “flexibility,” please explain whether the model allowed for the use of trucks of different sizes on a routing between an origin/destination pair, based on fluctuations in volume. If not, please explain why such “flexibility” would not be desirable.
- d. Please explain why the “Maximum volume per 53-foot trailers was modeled as 1,575 cubic feet” if, according to a *Guide to Truck Trailers* (http://www.iccb.org/iccb/wp-content/pdfs/adulted/tdl_bridge_curriculum/tdl_context_math/tdl_math_resource_file/Truck_Trailer_Guide.pdf), the interior capacity of a 53-foot trailer is 3,489 cubic feet.
- e. Please explain why the model assumed utilization of only 45.1% of the capacity of a 53-foot trailer.
- f. Please confirm that the model assumed that all loads on all trucks would be in APCs, that no modeled loads were in other than APCs that were “75 percent full,” and that no modeled loads were bedloaded. If these cannot be confirmed, please explain the assumed loads.

MH/USPS-T3-6. Please refer to your testimony on page 16, lines 12 through 15, and page 17, lines 1 through 15.

- a. Please explain the process and steps used to determine the allowance of an “additional 90 minutes for dispatch preparation and staging” and why it is “the USPS-accepted expectation of when volume would be ready for dispatch following the completion of mail processing.”
- b. Please explain whether other shorter time criteria were modeled and, if not, why not.
- c. Please explain the process and steps used to determine that “STCs are given a minimum of two hours to process volume and/or cross-dock containers.”
- d. Please explain whether other shorter time criteria were modeled and, if not, why not.